



ITG News



Keeping First Nations Informed

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Message from the Director

All of us share a common concern for the current world economy, whether as individuals or government officials. The rising unemployment rates, declining stock markets, job layoffs, tight credit markets, and business failures, are issues that are affecting every government in the world, and certainly tribal governments are not immune from these problems.

Tribes face an immediate impact from a number of sources, including decreased business for tribal enterprises, decreased capital to expand existing enterprises or start new ones, decreased availability of grants, and a lack of additional federal resources needed for basic tribal programs or infrastructure.

In order to mitigate the impact of the current economic decline, all levels of government must work together, and ITG is committed to working with tribes to minimize any federal tax problems during this period. Our approach will be based on data, and we will use it to quickly determine trends and problems before they might become significant.

We will be renewing and expanding our outreach efforts. This will include regional seminars to assist tribal employees in staying current on tribal employment tax issues. We will also seek to identify tribes that have incurred significant penalties for failure-to-deposit withholding taxes and social security for their employees. While this has been a historic problem for some tribes, the current economic situation will likely create additional pressures in this area. Our objective is to proactively identify problems, assist tribes in determining remedies, and reduce unnecessary interest and penalty assessments that redirect tribal revenue from program areas.

I welcome your ideas on other tax-related steps we might take to assist tribes through this challenging economic period. As always, I can be contacted at christie.jacobs@irs.gov, or by telephone at 202-283-9800.



..we want to proactively identify problems, and help tribes determine remedies...

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Christie Jacobs



Customer Satisfaction Survey Results Published

The Office of Indian Tribal Governments recently completed its sixth annual customer survey. The survey gave us feedback from our customers that allows us to measure customer satisfaction with our products and services and determine areas where we need to effect operational changes.

We want to thank everyone who participated. We received 197 responses, which was the highest total of any survey. We are pleased that the overall level of satisfaction has remained steady, although it decreased slightly from 77% to 76%. There were a number of issues surfaced where we are undertaking actions to address concerns raised in the survey. This includes, but is not limited to:

- Utilize the regional Consultation Listening meetings (four per year are scheduled in differing BIA regions) to explore concerns about horizontal equity
- Continue to implement innovative alternative approaches for delivering products/services to tribes located in Alaska and the Navajo Chapters
- Seek opportunities to do annual outreach/education seminars on Employment Tax issues on a regional basis
- Further studying the causes of dissatisfaction in the Pacific Northwest
- Monitoring work processes to improve responsiveness to tribal inquiries by ITG staff

This is the second survey where we have asked specific questions in regard to Compliance Checks and Examination interactions with ITG. Since examinations represent a significant percentage of the work done by ITG, we will focus extra efforts in regard to that specific feedback. One area where we will seek to affect remedies is in the area of “timely actions”. This was an overall concern by tribes, and the most significant concern in regard to examinations.

One of the outcomes of the 2007 survey was the initiation of significant outreach/education efforts for the Navajo Chapters, in conjunction with the Navajo Nation. This was a direct response to dissatisfaction in that area. ITG organized and conducted major payroll and information reporting educational seminars for tribal employees, modeled on the success of similar efforts in Alaska in 2007 which were repeated in 2008. The survey shows the positive results of these efforts. The customers in the Navajo Chapters showed a marked increase in customer satisfaction, with the rate increasing from 50% to 64%. The Alaska tribes increased from 75% to 82%, and are now more satisfied than the rest of the United States. ITG will seek to apply best practices used in Alaska in a focused effort to better assist the Navajo Chapters.

In addition to the overall measures, we also looked at satisfaction by geographic area and by common themes within the survey. The table on the following page shows that analysis, and compares the responses this year with the survey responses from the prior year.

A more complete report on the survey is posted to our web site at www.irs.gov/tribes. We look forward to input at the ongoing Consultation Listening meetings to further assist in determining improvement opportunities. Future issues of ITG News will detail operational changes that we effect in response to the survey feedback.



Customer Satisfaction Survey Scores - by ITG Area

	Eastern		North Central		Southwest		Western		Pacific Northwest		Alaska		Navajo Chapters	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Burden/ Delivery of Information														
Satisfied	85%	80%	71%	83%	80%	79%	83%	84%	55%	58%	71%	68%	46%	60%
Neutral	11%	16%	16%	13%	14%	10%	10%	11%	40%	27%	19%	21%	21%	18%
Dissatisfied	4%	4%	13%	4%	6%	10%	7%	6%	5%	15%	10%	11%	33%	21%
Collaborate														
Satisfied	72%	60%	65%	70%	79%	63%	68%	79%	39%	39%	62%	63%	45%	52%
Neutral	24%	26%	24%	27%	12%	28%	18%	12%	48%	48%	29%	24%	31%	20%
Dissatisfied	4%	14%	11%	3%	9%	10%	14%	8%	12%	13%	8%	13%	24%	28%
Recognition														
Satisfied	84%	78%	70%	90%	72%	63%	77%	75%	50%	48%	69%	70%	51%	59%
Neutral	14%	12%	23%	5%	28%	24%	13%	20%	36%	33%	24%	19%	39%	25%
Dissatisfied	2%	10%	7%	5%	0%	13%	9%	5%	14%	18%	7%	11%	11%	16%
Protocol/ Horizontal Equity														
Satisfied	82%	74%	90%	87%	75%	78%	83%	83%	57%	54%	72%	75%	60%	70%
Neutral	14%	24%	9%	6%	20%	19%	12%	15%	31%	38%	23%	20%	31%	22%
Dissatisfied	5%	2%	1%	7%	5%	3%	5%	2%	12%	8%	5%	5%	9%	8%
Accuracy/ Timeliness/ Honesty														
Satisfied	69%	64%	65%	69%	60%	55%	74%	70%	47%	28%	61%	59%	45%	55%
Neutral	25%	27%	27%	28%	37%	30%	10%	22%	41%	55%	32%	31%	31%	27%
Dissatisfied	6%	9%	8%	3%	3%	16%	16%	8%	13%	17%	8%	10%	24%	18%
Overall Satisfaction														
Satisfied	90%	77%	76%	76%	75%	83%	86%	88%	56%	44%	75%	82%	50%	64%
Neutral	10%	18%	12%	24%	25%	8%	5%	6%	33%	31%	23%	13%	36%	29%
Dissatisfied	0%	5%	12%	0%	0%	8%	8%	6%	11%	25%	2%	4%	14%	7%
Compliance Action - Overall Satisfaction														
Satisfied	67%	52%	80%	79%	100%	75%	78%	79%	43%	58%	70%	86%	67%	84%
Neutral	17%	14%	7%	11%	0%	25%	9%	16%	33%	26%	22%	14%	0%	9%
Dissatisfied	17%	33%	13%	11%	0%	0%	13%	5%	24%	16%	7%	0%	33%	7%
Compliance Action - Initial Meeting														
Satisfied	78%	79%	95%	83%	94%	81%	90%	95%	71%	88%	87%	100%	87%	90%
Neutral	10%	18%	3%	17%	6%	6%	1%	5%	25%	8%	12%	0%	12%	10%
Dissatisfied	13%	4%	3%	0%	0%	13%	8%	0%	4%	4%	0%	0%	0%	0%
Compliance Action - Subsequent Interactions														
Satisfied	74%	67%	70%	88%	100%	75%	84%	94%	56%	35%	89%	100%	60%	91%
Neutral	17%	22%	13%	6%	0%	17%	4%	6%	36%	55%	11%	0%	0%	7%
Dissatisfied	9%	11%	17%	6%	0%	8%	13%	0%	8%	10%	0%	0%	40%	2%
Compliance Action - Final Resolution														
Satisfied	68%	87%	67%	67%	78%	50%	92%	87%	43%	67%	71%	100%	50%	72%
Neutral	12%	7%	25%	27%	11%	42%	8%	10%	43%	33%	19%	0%	0%	18%
Dissatisfied	20%	7%	8%	7%	11%	8%	0%	3%	14%	0%	10%	0%	50%	10%



Navajo Nation Employment Tax Workshops

For the past two years the Indian Tribal Governments Southwest Group has presented FREE Federal Basic Employment Tax Workshops for Navajo Nation Chapter administrators. The workshops provide guidance on how to complete and file Federal Employment Tax Returns and when and how to pay Federal Employment Taxes.

This past November four workshops were held in Albuquerque. The workshops trained 97 people from 58 organizations. This year some new items were added. We introduced the new Form 941C and made the class problems more challenging.

After reviewing each Chapter's current status with IRS, a couple of challenges were uncovered for many Workshop attendees:

First, late filing of Form 941s. The Form 941s are due on April 30th for the first quarter of the year, on July 31st for the second quarter, October 31st for the third quarter, and January 31st of the following year for the fourth quarter. If you cannot deposit or send money with the return, you are highly encouraged to file the Form 941 on time.

Second, incorrect deposits are still a problem. Deposit Schedules are as follows: If you owe less than \$2500 you can mail in a check with the Form 941. If you owe more, you have to deposit by the fifteenth of the following month. We recommend you beat the rush and deposit early. If you owe more than \$2500 and don't deposit monthly you will get a Failure to Deposit penalty.

We would like to thank all of those Chapter members who attended Employment Tax Workshops this year. If you were unable to attend the November 2008 dates then you may want to contact Theresa Nosie or Michelle Risk about workshops in February 2009 in Flagstaff, AZ. Their contact info is on page 6.

Self-Assess Your Federal Tax Compliance Risks

Tribal entities can now self-assess their federal tax compliance and work with ITG to address any problems they uncover. Entities electing to participate receive a fillable template from ITG, and are provided with the name of a local ITG Specialist who will serve as their resource during the process.

Information on the program, as well as an on-line request form, is available through the "Enhancing Federal Tax Compliance" link on the right-hand of the ITG web site landing page at www.irs.gov/tribes, or you can make an inquiry about the program via e-mail to tege.itg.tefac@irs.gov

Want to Avoid Penalties?

Are you incurring penalties? Do you want to eliminate penalties in the future?

ITG has a "Helpful Hints to Avoid Penalties" job aid that can assist you.

It's available by ordering our "Tax Tools for Tribes" CD-Rom via e-mail at ITG.TaxTools@irs.gov.



EMPLOYMENT TAX CORNER

Happy New Year!

You know what that means....Cleaning up the wrapping paper and taking down the Christmas tree and lights.

Ho! Ho! Ho! But wait.....Santa left you W-2s and 1099s to complete. It's time to reconcile your employment taxes and get ready to send out all those employment tax reports. What a wonderful Christmas present!

Do you remember all the things we talked about in the Employment Tax Workshops?? If you cannot remember everything, you can call us and we will be glad to guide you through the end of year. Your ITG Specialists' phone numbers are on page 6.

How about a list of things you might need to do?

<u>WHEN</u>	<u>WHAT</u>
Now	Prepare W-2s and W-3
Now	Prepare Form 941 for the 4th Quarter of 2008
Now	Reconcile Form 941s and W-2s and W-3
Jan 31	File Final Form 941 for 2008
Jan 31	Give W-2s to Chapter employees
Jan 31	Give Form 1099 to contractors
Jan 31	If not current with the State SUTA, file Form 940, FUTA, with IRS
Mar 2	Mail or Electronically file W-3 and W-2s with Social Security
Mar 2	Mail Form 1096 and 1099s to IRS

WOW! I'm glad I ate lots of pumpkin pie for Christmas. Now, I have enough energy to do all these end of year jobs.

Reporting Abuses/Schemes

We continue to work with tribes and tribal officials to address financial abuses and schemes being promoted in Indian country. Working together can help ensure the integrity of tribal finances, and eliminate the threats posed by individuals with schemes that appear "too good to be true" and often are. If you are aware of financial impropriety, or of a promoter advocating a scheme that appears highly suspect, you can contact the ITG Abuse Detection and Prevention Team at (716) 686-4860, or via e-mail at tege.itg.schemes@irs.gov



Your Indian Tribal Governments Specialists

Sometimes you just need a little help and other times you need more. ITG has assigned a Specialist to each of the Navajo Nation Agencies and Chapters. The following Specialists are your first-line IRS contacts:

Eastern Agency	Jim Crook	(505) 837-5613	Fax (505) 837-5654
	Email: Jimmy.C.Crook@IRS.GOV		
Northern Agency	Lonnette Graham	(505) 837-5536	Fax (505) 837-5654
	Email: Lonnette.L.Graham@IRS.GOV		
Western Agency	Theresa Nosie	(480) 503-7318	Fax (480) 503-7320
	Email: Theresa.S.Nosie@IRS.GOV		
Chinle Agency	Aaron Coleman	(602) 207-8751	Fax (602) 207-8002
	Email: Aaron.H.Coleman@IRS.GOV		
Ft. Defiance Agency	Michelle Risk	(520) 205-5022	Fax (520) 670-4661
	Email: Michelle.L.Risk@IRS.GOV		

Feel free to contact any or all of them if you need assistance. If you can't get a hold of any of the Specialists, just call our Manager: Anita Gentry at (505) 837-5573, Fax (505) 837-5654, or Email: Anita.D.Gentry@IRS.GOV.

Tax Tools for Tribes

You can order our comprehensive reference CD-ROM containing Publication 4268 (Employment Tax Guide for Tribes), Publication 3908 (Gaming Tax Law for Indian Tribal Government), Publication 15 (Employer's Tax Guide), Publication 15-A (Employer's Supplemental Tax Guide), ITG News issuance for your area for the last 8 quarters, a "primer" for federal tax issues affecting individual Native Americans, and a guide on "Helpful Hints to Avoid Penalties".

E-Mail us at ITG.TaxTools@irs.gov and provide your mailing address and the number of CD-ROM copies you would like to receive.



Tax News For You!

Individual Tribal Member Information

GETTING ORGANIZED TO FILE YOUR TAXES

The Albuquerque newspaper recently reported that no one knows what tax changes are going to be made after the new Administration takes office in January. One thing is for sure, we all will need to file our income taxes next year. Now is a good time to gather all those pieces of tax related paper that you will be looking for when you sit down to fill out your tax return. If you have a refund coming you will probably be excited to file your taxes. If you owe, you are probably thinking this can wait until April 15th.

To start, I like to get a big legal size envelope and write “Taxes 2008” on the front of it. Then, I look for any W-2Gs or Form 1099s I might have received from the casinos. I put them in the envelope. Next, as my W-2, other Form 1099s, or other tax documents come in the mail I put them in the envelope. Now, is a good time to reflect on 2008. I ask myself, “Has anything happened that may affect my taxes?” “Have my kids moved out?” “Did I sell anything that could have tax consequences?” I make a note on the outside of the envelope to remind myself to discuss it with my tax return preparer.

Now that I have all my tax documents, I need to file my tax return. Let’s look at an alternative to those paid preparers.

VITA

Did you know there is an organization that may be able to help you file your taxes for FREE ? Volunteer Income Tax Assistance (VITA) is a volunteer organization that prepares income tax returns for low- to moderate-income (generally, \$42,000 and below) people who cannot prepare their own Tax returns. Certified volunteers sponsored by various organizations receive training to help prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing. Did you know that if you file electronically you can get your refund deposited into your bank account in as little as 8 days? Do you really need a Refund Anticipation Loan? To locate your nearest VITA site, call 1-800-829-1040.



Federal Tax Calendar for First Quarter 2009

January 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5 * Make a deposit for 12/27-12/30	6	7 * Make a deposit for 12/31-1/2	8	9 * Make a deposit for 1/3-1/6	10
11	12 Employees report December tip income to employers if \$20 or more	13	14 * Make a deposit for 1/7-1/9	15 ** Make a deposit for December if under the monthly deposit rule	16 * Make a deposit for 1/10-1/13	17
18	19	20	21	22	23 * Make a deposit for 1/14-1/20	24
25	26	27	28 * Make a deposit for 1/21-1/23	29	30 * Make a deposit for 1/24-1/27	31

February 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 Issue W-2s, W-2Gs, and 1099s to recipients	3	4 * Make a deposit for 1/28-1/30	5	6 * Make a deposit for 1/31-2/3	7
8	9 File Form 730 for wagers received during December	10 File Form 941 for the 4th calendar quarter of 2008 Employees report January tip income to employers if \$20 or more	11 * Make a deposit for 2/4-2/6	12	13 * Make a deposit for 2/7-2/10	14
15	16	17 ** Make a deposit for January if under the monthly deposit rule	18	19 * Make a deposit for 2/11-2/13	20 * Make a deposit for 2/14-2/17	21
22	23	24	25 * Make a deposit for 2/18-2/20	26	27 * Make a deposit for 2/21-2/24	28

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

**= Make a Monthly Deposit if you qualify under that rule.

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NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.



March 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 <i>File W-2s with SSA and 1099s with IRS</i> <i>Form 730 for wagers received during January</i>	3	4 * Make a deposit for 2/25-2/27	5	6 * Make a deposit for 2/28-3/3	7
8	9	10 Employees report February tip income to employers if \$20 or more	11 * Make a deposit for 3/4-3/6	12	13 * Make a deposit for 3/7-3/10	14
15	16 ** Make a deposit for February if under the monthly deposit rule	17	18 * Make a deposit for 3/11-3/13	19	20 * Make a deposit for 3/14-3/17	21
22	23	24	25 * Make a deposit for 3/18-3/20	26	27 * Make a deposit for 3/21-3/24	28
29	30	31 <i>File Form 730 for wagers received during February</i>				

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

**= Make a Monthly Deposit if you qualify under that rule.

NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.

Return Filing Dates

February 2nd

- > File Form 941 for the 4th quarter of 2008. If all deposits are paid on time and in full, file by February 10th.
- > If pre-qualified for simplified payroll filing, file Form 944. If all deposits are fully paid on time, file by February 10th.
- > File Form 940 for 2008 if liable for Federal Unemployment Tax (not participating or current with state unemployment tax). If all deposits are paid on time and in full, file by February 10th.
- > File Form 730 and pay the tax on applicable wagers accepted during December 2008.
- > File Form 944 for 2008 if required in lieu of Form 941. If all deposits are paid on time and in full, file by February 10th.
- > File Form 945 for 2008. If all deposits are paid on time and in full, file by February 10th.
- > File Form 943 for 2008 (agricultural entities). If all deposits are paid on time and in full, file by February 10th.

March 2nd

- > File information returns for all payments reported to recipients on Forms 1099, 1098, 5498, and W-2G, using Form 1096 as a transmittal. If filing these forms electronically, file by March 31st.
- > File Form W-3, along with copy A of Forms W-2 you issued for 2008. File by March 31st if filing electronically.
- > File Form 730 and pay the tax on applicable wagers accepted during January 2009.
- > File Form 8027 if you are a large food and beverage establishment. File by March 31st if filing electronically.

March 31st

- > File Form 730 and pay the tax on applicable wagers accepted during February 2009.